

CONSOLIDATED AGREEMENT

BETWEEN

THE STATE OF NORTH CAROLINA

AS REPRESENTED BY

THE STATE HEALTH DIRECTOR
(Hereinafter called the "State")

AND

«FACILITY NAME»

(Local Health Department/District/Public Health Authority/Human Services Agency (Wake and Mecklenburg) -- Hereinafter called the "Department")

FOR THE PURPOSE OF

**MAINTAINING AND PROMOTING THE ADVANCEMENT OF
PUBLIC HEALTH IN NORTH CAROLINA**

This Amended Agreement Shall Cover a Period From

July 1, 2010 to June 30, 2011

**and shall remain in force until the next Fiscal Year Agreement
is signed except as provided for in Section J. Termination.**

NOW, THEREFORE, the State and the Department agree that the provisions and clauses herein set forth shall be incorporated in and constitute the terms and conditions applicable for activities involving State funding. (State funding or funds means state, federal, and/or special funding or funds throughout this agreement.)

A. RESPONSIBILITIES OF THE DEPARTMENT (LOCAL PUBLIC HEALTH UNIT)

1. The Department shall perform activities in compliance with applicable program rules contained in the North Carolina Administrative Code, as well as all applicable Federal and State laws and regulations.
2. The Department shall perform the activities specified in the Program Agreement Addenda for State funded budgets. The Department must negotiate these Agreement Addenda in good faith to the satisfaction of state representatives as part of the agreement execution. The Department will meet or exceed the Agreement Addenda levels unless extenuating circumstances prevail and are explained in writing to the state section, branch or program.
3. The Department shall report client, service, encounter, and other data as specified by applicable program rules, Program Agreement Addenda for State funded budgets, and by North Carolina Administrative Code.
4. The Department shall provide access to patient records to authorized staff from the Division of Public Health for technical consultation, program monitoring, and program evaluation, as specified by applicable program rules, Program Agreement Addenda for State funded budgets, and by North Carolina Administrative Code.
5. The Department shall provide client, service, encounter, and other data through the states' centralized automated systems for claims creation and submission for processing to the state's Medicaid agency *except as allowed by NCGS 130A – 45.13*. To ensure that such data is accurately linked to the specific client served in a manner that results in a unique identifier from the DHHS Common Name Data Service, the Department shall allow DPH to submit (on its behalf) the Social Security Numbers of all clients to the Social Security Administration for verification.
6. The Department shall share data to support efforts of the public health system, represented by the local health departments, local health programs, and the State, in order to meet public health objectives while respecting the confidentiality and integrity of each agency's data and protecting the privacy of individual client health information. Sharing data includes providing client information allowed as permitted disclosures under the Health Insurance Portability and Accountability Act of 1996, Public Law 104-91, HIPAA Administration Simplification Provisions Sections 261 through 264, 45 CFR 164.512. Uses and disclosures for which consent, authorization, or opportunity to agree or object is not required.
7. The Department shall administer and enforce all rules that have been adopted by the Commission for Public Health, ratified by the NC General Assembly, or adopted by the Local Board of Health.
8. The Department shall provide to the State a copy of any rules adopted by the Local Board of Health pursuant to G.S. 130A-39 and Public Health Ordinances adopted by the County Commissioners, within 30 days of adoption. These rules/ordinances are to be sent to the Local Technical Assistance and Training Branch (LTAT).
9. The Department shall have policies related to conflict of interest and policies and procedures for Human Subjects Clearance. Each staff member shall receive a copy of these documents.

10. The Department shall provide to the State a comprehensive community health assessment (CHA) every four years and a State of the County's Health Report each of the interim three years. Healthy Carolinians/Health Education Branch/CDI Section will administer this four-year cycle. The CHA should be a collaborative effort with the local Healthy Carolinians Partnership, if such exists, and shall include collection of primary data at the county level and secondary data from the state and other sources. The CHA shall include a list of community health problems based on the findings and a narrative of the assessment findings and priorities chosen (refer to accreditation activities regarding CHA or SOTCH). The CHA or SOTCH is due by the first Monday of December. The agency is required to submit community action plans to address the selected priority issues. These plans are due by the first Friday in June following the December submission of the CHA. The Agency and the Healthy Carolinians Partnership may elect to combine action plans addressing the selected priority issues and submit them with the Healthy Carolinians Partnership application if both sets of action plans are due in the same year. The same action plan form is used for both the CHA and the certification/recertification process. *NOTE that an action plan is expected for every CHA priority.* The CHA will include data analysis of those indicators that are listed in the accreditation self-assessment.
11. The Department shall provide formal training for their Board of Health (BOH) members through DHHS sponsored offerings. The LTAT Branch shall notify the Department no later than April 30 of the name of the contractor who is to provide this training during the upcoming fiscal year. First priority should be given to training newly appointed members with the ultimate goal of having all BOH members trained as time and resources allow. Continuing education updates on topics of special interest are strongly encouraged after general board member orientation has been provided for all BOH Members.
12. The Department shall provide Network/Internet access at the Local Health Department (or to the county network where desired) at a minimum speed of a full T-1 line in order to:
 - Connect with the North Carolina Health Alert Network (HAN), North Carolina Electronic Disease Surveillance System (NCEDSS), North Carolina Immunization Registry (NCIR), Health Information System (HIS)
 - Rapidly communicate e-mail alerts to and from the NC State Division of Public Health regarding bioterrorism and public health topics (outbreaks, emergency alerts, etc)
 - Access NCDPH training material and information used in self-study courses and PHTIN programs
 - Build steps of a secure infrastructure for remote data entry in the local health departments
 - Report electronically all required Environmental Health Services Section inspection data in the format and frequency specified by the division. Paper copies of inspection data are no longer accepted,

The LHD will maintain the above-described minimum connection. The LHD may choose any provider (ISP) that they wish. The LHD will also ensure security of a minimum of a T-1 connection at the LHD location. The LHD may utilize security products (i.e. firewalls) of their choosing to maintain network connectivity and security integrity. The LHD network configuration and security practices must allow communication with systems within the state network.

13. The Department shall incorporate basic elements of the North Carolina Public Health logo and themeline (slogan) into communication materials developed for programs and services that depend, in whole or in part, upon state funding. Such communication materials could include: letterhead, business cards, brochures, pamphlets, advertisements or announcements, signs and marketing/promotional materials. The Department is encouraged to incorporate its own name with the logo.

B. FUNDING STIPULATIONS

1. Funding for this agreement is subject to the availability of State, Federal, and Special Funds for the purpose set forth in this agreement.
2. During the period of this agreement, the Department shall not use State, Federal or Special Project funds received under this agreement to reduce locally appropriated funds as reflected in the Local Appropriations Budget (see item C.2. below.)
3. The Department shall not use personal health program funds to support environmental health programs nor use environmental health program funds to support personal health programs.
4. Fees generated by the Food and Lodging Fees Collection Program may only be used to support State and Local food, lodging, and institution sanitation programs and activities.
5. The county shall submit monthly reports of On-Site Wastewater activities to the On-Site Wastewater Section in Division of Environmental Health in the format provided by the Section.
6. The Department shall comply with Standards for Mandated Public Health Services, 10A NCAC 46, Section .0200; and Administrative Procedures Manual for Federal Block Grant Funds, 1 NCAC 33, Sections .0100 - .1502.
7. The Department shall maintain signed employee time records to document the actual work activity of each employee on a daily basis. The percentage of time each employee spends in each activity shall be converted to dollars based upon the employee's salary and benefits at least on a monthly basis. The computation shall support the charges for salaries and benefits to all federal and state grants (as required in OMB Circular A87) as well as provide the documentation of detailed labor cost per activity for preparation of Medicaid Cost Report.
8. For Departments participating in Medicaid Reimbursement, the Department shall:
 - a. Execute a Provider Participation Agreement with the Division of Medical Assistance. *For selected health departments* receiving at least \$5,000,000 in Medicaid receipts annually, as identified by the Division of Medical Assistance, must sign, as part of their continuing participation as a Medicaid provider, a Letter of Attestation affirming that: 1) detailed information is provided to employees, contractors and agents about the Federal & State False Claims Act and 2) written policies and procedures are in place to detect and prevent fraud, waste and abuse.
 - b. Make every reasonable effort to collect its cost in providing services, for which Medicaid reimbursement is sought, through public or private third party payors except where prohibited by Federal regulations or State law; however, no one shall be refused services solely because of an inability to pay.
 - c. Establish one *charge* per clinical/support service for all payors (including Medicaid) based on their costs. All Payors must be billed the same established charge, but the Department may accept negotiated or other agreed upon lower amounts (e.g., the Medicaid reimbursement rate) as payment in full.
9. Subject to the approval of the appropriate Section, a local health department may seek reimbursement for services covered by a program operating under 10A NCAC 45 rules, Purchase of Medical Care Services (POMCS), when those services are not supported by other state or federal funds. All payment program rules and procedures as specified in the Purchase of Medical Care Services Manual must be followed.

10. Provision of Interpreter Services: As required by Title VI of the Civil Rights Act, a local health department that receives federal funds (either directly or through the Division of Public Health) for any program or service must provide interpreter services at no charge to *Limited English Proficiency* clients in all programs and services offered by the health department.
11. Subject to the availability of funds and approval of the Public Health Nursing and Professional Development Unit, a Department may request reimbursement for:
 - a. Nursing service personnel participating in the “Introduction to Principles and Practices of Public Health and Public Health Nursing” course. Reimbursement is \$400.00 per participant upon successful completion of the course.
 - b. Nursing service personnel participating in the “Management and Supervision for Public Health Nurse Supervisors and Directors” course. Reimbursement is \$600.00 per participant upon successful completion of the course.
 - c. Health Department Management level staff (all disciplines) attending certain Management training endorsed by the State Health Director’s Office when the local staff member is a part of a team accepted into these trainings/institutes.
12. Audits/Monitoring:
 - a. The Department shall have an annual audit performed in accordance with “The Single Audit Act of 1984 as implemented by OMB Circular A-133.” The audit report shall be submitted to the Local Government Commission (LGC) by the County Administration (if single county health department) or the District Health Department or Public Health Authority (if so organized) within (six) 6 months following the close of the agreement. Audit findings referred to the DHHS Controller’s Office by LGC will be investigated and findings verified by the DHHS Controller’s Office staff with assistance of the Division of Public Health Program Staff.
 - b. All District Health Departments and Public Health Authorities must complete quarterly a Fiscal Monitoring Report and submit to the DHHS Controller’s Office based on the schedule published by the DHHS Controller’s Office.
13. Equipment is a type of fixed asset consisting of specific items of property that: (1) are tangible in nature; (2) have a life longer than one year; and (3) have a significant value.
 - a. For Inventory Purposes
 - i. Equipment must be accounted for in accordance with the North Carolina Department of State Treasurer Policies Manual, Chapter 20, and Fixed Assets Policy.
 - ii. All equipment with an acquisition cost of \$500.00 or more which is purchased with Women, Infants and Children (WIC) Program Funds, must be inventoried with the Women’s and Children’s Health Section.
 - b. For Prior Approval Purposes
 - i. All equipment purchased or leased with an acquisition cost exceeding \$2500.00 (*except in WIC; see item ii below for WIC requirements*), where there is an option to purchase with State/Federal funds must receive prior written approval from the appropriate Branch/Section. *For PHP&R Grant funds only* this is any purchase exceeding \$2500 *per invoice* (e.g., if the agency is purchasing a computer, monitor, printer, etc. totaling more than \$2500 or purchasing 6 computers at \$500 each, this should be treated as one purchase for purposes of prior approval.)

- ii. *For WIC*, all computer and medical equipment purchased or leased, must receive prior written approval from the Branch regardless of cost. In addition, all other tangible assets (non computer/medical) with an acquisition cost exceeding \$500.00 must receive prior approval.
 - iii. The use of Women's and Children's Health Medicaid fees for capital improvements requires prior written approval from the Women's and Children's Health Section.
 - c. For Accounting Purposes: The Department must utilize the depreciation schedule provided by the State for all assets with an acquisition cost of \$5,000 or greater. The accumulated depreciation should be recorded in the general fixed assets account group.
14. The Department agrees to execute the following Federal Certifications attached to this agreement as applicable when receiving Federal funds:
- a. Certification regarding Lobbying.
 - b. Certification regarding Debarment.
 - c. Certification regarding Drug-Free Workplace Requirements.
 - d. Certification regarding Environmental Tobacco Smoke

C. FISCAL CONTROL

1. The Department shall comply with the Local Government Budget and Fiscal Control Act, North Carolina General Statute Chapter 159, Article 3.
- a. The Department shall maintain a purchasing and procurement system in accordance with generally accepted accounting practices and procedures set forth by the Local Government Commission.
 - b. The Department shall execute written agreements with all parties who invoice the Department for payment for the provision of services to patients.
 - c. The Department, when subcontracting, must meet the following conditions:
 - i. The Department is not relieved of any of the duties and responsibilities provided in this agreement.
 - ii. The subcontractor will agree to abide by the standards contained herein or to provide such information as to allow the Department to comply with these standards.
 - iii. The subcontractor will agree to allow state and federal authorized representatives' access to any records pertinent to its role as a subcontractor of the Department.
 - iv. Upon request, the Department will make available to the State a copy of subcontracts supported with State/Federal funds.
 - d. The Department must receive prior written approval from the state to subcontract when any of the following conditions exist:
 - i. The Department proposes to subcontract to a single entity fifty percent (50%) or more of the total state and federal funds made available through this agreement.
 - ii. The Department proposes to subcontract fifty percent (50%) or more, or \$50,000, whichever is greater, of the total state and federal funds made available through this agreement for a single public health service or program.

- iii The Department proposes to subcontract for services in the Women, Infants and Children (WIC) Program.
 - e. The Department shall mail a signed copy of all final public health Funding Authorizations to the DPH Budget Office, 1931 Mail Service Center, Raleigh, NC 27699-1931. The Department shall retain a copy of all Funding Authorizations, the monthly certified electronic printed screen of the Expenditure Reports with any amendments (via the Aid-to Counties Website), Consolidated Agreement, Agreement Addenda, Revisions and other financial records in accordance with the current Records Disposition Schedule for County and District Health Departments issued by the NC Division of Archives and History, Department of Cultural Resources and located on their website at: <http://www.ah.dcr.state.nc.us/records/local/default.htm>.
 - f. The Department shall mail a signed copy of all final environmental health Budget Forms (DENR 2948) and Addenda (DENR 3300) to the Division of Environmental Health, Environmental Health Services Section, 1632 Mail Service Center, Raleigh, NC 27699-1632.
2. The Department shall prepare and maintain a Local Appropriations Budget (reflecting the plans to use local appropriations or earned fees) for each activity covered by this agreement in a manner consistent with instructions provided in general budgetary guidance from the Division and the specific guidance from the respective programs and enter that budget information into the Electronic Aid to Counties Website for each activity funded under this agreement.
- a. The Department shall do budget revisions to their Local Appropriation budgets when appropriations will be increased or decreased and enter that information in the Electronic Aid to Counties Website.
3. (Local Earned Revenues) The Department shall observe the following conditions when budgeting and reporting earned revenues:
- a. Locally appropriated funds may not be supplanted by earned revenues from persons, or public or private third party payors.
 - b. All earned revenue (officially classified as local funds) must be budgeted and spent in the program that earned it except,
 - 1) Revenue generated by WCH Section Programs, except WIC, may be budgeted and expended (consequently reported) in any WCH Section Program activity.
 - 2) Revenue generated by a local clinic or program that has no state funded activity budget (no state/federal funds) should be budgeted and associated expenditures reported in a state program activity that most closely matches the deliverables of the respective state program. This process will enable the collection of total expenditures in public health per program.
 - c. All fees collected shall be used in the current year or succeeding fiscal years.
 - d. Use of program income generated by the expenditure of Federal categorical funds will be governed by applicable Federal regulations, including, but not limited to, 45 CFR 4.
 - e. Local Budgets for DHHS Reporting:
 - 1) After preparing Local Budgets you must use the Allocation/County Line on the Electronic Aid to Counties Website to show the approved local funding.
 - i Line item 101 on the Electronic Aid to Counties Website must be used to budget local appropriations for each program activity, if applicable.

- ii Line item 102 on the Electronic Aid to Counties Website must be used to budget TXIX Medicaid earned revenues for each program activity, if applicable.
- iii Line item 103 on the Electronic Aid to Counties Website must be used to budget other earned revenues (e.g., Home Health fees, patient fees (cash), other insurance payments, and other grants and donations) for each program activity, if applicable.

2) When preparing DENR Program Budgets:

- i Line item 9000 on the program budget form must be used to budget the total of lines 101, 102, and 103.
 - ii Line item 101 on the program budget form must be used to budget local County appropriations for each program budget, if applicable.
 - iii Line item 102 on the program budget form is to be used to budget TXIX Medicaid earned revenues for each program budget. However, environmental health programs should not have any Medicaid to budget.
 - iv Line item 103 on the program budget form must be used to budget other earned revenues (e.g., Environmental Health Fees, grants, donations, etc.) for each program, if applicable.
 - v Under “STATE/FEDERAL/SPECIAL FUNDS” a new line has been added to reflect the amount of “Temporary Food Establishment (TFE)” fees collected on behalf of the State.
- f. When reporting local expenditures (local appropriations, Medicaid or other earned revenues) the department must use the electronic Aid-to-Counties Website to report the pertinent month’s *actual expenditures*. (NOTE that an “actual expenditure” is one for which the item has been ordered, received, invoiced and the check has been cut.) The Expenditure Reports must be submitted monthly in the electronic website format and certified in the website to the DHHS Controller’s Office.
- 1) Line item 101 on the Electronic Aid-to-Counties Website must be used to report local appropriations that were expended on a monthly basis
 - 2) Line item 102 on the Electronic Aid-to-Counties Website must be used to report Title XIX (Medicaid) earned revenues that were expended on a monthly basis
 - 3) Line item 103 on the Electronic Aid-to-Counties Website must be used to report other earned revenues that were expended on a monthly basis.
 - 4) Local match for Teen Pregnancy Prevention Initiatives (104) and Bioterrorism (106) must be reported on the Electronic Aid-to-Counties Website on a monthly basis.
- g. A local account shall be maintained for unexpended earned revenues [i.e., Title XIX fees, private insurance or private pay {cash}]. Accounts shall be maintained in sufficient detail to identify the program source generating the fees.
- h. The amount of Title XIX fees budgeted and expended in FY 2010-2011 must equal or exceed the amount of Title XIX revenues earned during FY 2008-2009. The state will not approve program activity budgets that do not include an amount of Title XIX fees sufficient to meet the requirements of this section. The State may waive this requirement if the Department provides sufficient justification.

For DENR:

- i. When reporting expenditures for Environmental Health, Childhood Lead, or Food and Lodging, the Department must use the electronic Expenditure Report – prepared and maintained by the Department of Environment and Natural Resources, Division of Environmental Health (DENR-DEH). This report shall be submitted monthly in an electronic format as an attachment to an email to designated staff in the DENR Controller’s Office and the Division of Environmental Health. NOTE that a new line has been added to reflect the TFE fees expended.
 - j. A “Certification of Expenditures” (for items in “i.” above), signed by the health director and finance officer, shall be submitted **annually** with original Budget Forms (DENR 2948) and shall be kept on file by the State. The “Certification” verifies in writing that total State expenditures reported are valid. Local expenditures are part of the Expenditure report, but are not included in the amount verified in the “Certification.”
 - k. Local expenditures for environmental health (105) must be reported on the DHHS Electronic Aid-to-Counties Website on a monthly basis.
4. (State/ Federal Revenues **only**) The Department shall submit a monthly report of actual expenditures (State and/or Federal) to the DHHS Controller’s Office in the Electronic Aid-to-Counties Website as referenced in 3.f. above – all reported in one system, but separated here for clarity of instructions.
- a. The Department shall submit a monthly Expenditure Report of the pertinent month’s actual expenditures for all programs via the Aid-to-Counties Website to the DHHS Controller’s Office *no later than* the dates published annually in November or December for the next calendar year. The schedule reflects a general period of 15-20 days from the end of the reporting month for submission of the Aid-to-Counties Website report, based on weekends and holidays, to allow processing time for the payment. Failure to meet the reporting deadline, as published, WILL result in the exclusion of those expenditures in the OSC E-Payment for that month. Early submission may result in earlier payment to the Department. The Department must submit these monthly Expenditure Reports, via the Aid-to-Counties Website, consecutively throughout the agreement period.
- The health director and the finance officer will approve the monthly Expenditure Report in the Aid-to-Counties Website and the system will alert the staff in the DHHS Controller’s Office that expenditures have been approved and certified. The “Certification” verifies that the total State and Federal expenditures reported are valid for the pertinent month’s actual expenditures. Local expenditures are part of the Expenditure Report, but are not included in the amount verified in the “Certification.” Local appropriations must be reported monthly along with the State and Federal expenditures.
- b. Departments shall keep expenditure reporting current and submit their certification of expenditures per the published DHHS Controller’s Office Schedule. Funding is based on an Allocation Method, not a Contract Method, and counties receive reimbursement for services provided during one month in the following month. Therefore, the last service month to be paid in the SFY will be May services which are reported and paid in June.

A department’s June, 2010 expenditure report will be paid in July, 2010 and will be paid from a department’s funding allocation for SFY 2010-11. Therefore a department will need to submit all requests for adjustments, corrections, or amendments to expenditure reports for fiscal year 09-10, with the May, 2010 expenditure report.

- c. Expenditures of federal funds must be reported according to the funding period for a grant. Care must be taken to be attentive to the service month/payment months for each grant as well as the ending settlement date for a grant. (For example, a grant which ends November 30 will have **6** service/payment months charged against it: 1) June 2010 service month/paid in July; 2) July service month/paid in August; 3) August service month/paid in September; 4) September service month/paid in October; 5) October service month/ paid in November; and 6) November service month/paid either in December, or before the ending date of that grant's settlement period. In this example the remaining 6 service/payment months will be December service month/paid in January through May service month/paid in June, 2011.) For each Grant, the budgetary estimate, funding authorization and agreement addendum will have service/payment month dates listed
- d. The Department shall submit the final LHD Expenditure Report (Electronic, via the Aid-to-Counties Website) for all programs to the DHHS Controller's Office according to the schedule published annually in November or December for the next Calendar Year by the DHHS Controller's Office. **The May Services/Paid in June will be the final report period paid from the SFY. Services provided in June and reported in July will be paid out of the next SFY.**
- e. The Department shall have the opportunity to submit amended expenditure reports as soon as the error is discovered. A Department Should Not Wait To Submit All Adjustments With The Invoice Submitted To The Controller's Office At The End Of May As That Will Not Allow Sufficient Time For Verification Of The Adjustments Before The Last Payment In The State Fiscal Year.
 - 1) In accordance with item 4.c, above, each department must be mindful to keep current on reporting adjustments against federal funds to ensure such adjustment is received in time to be paid within the grant period for that grant.
 - 2) The Department shall review their prior reimbursement claims against payments monthly.
 - 3) Amended reports (with the exception of WIC, FP and SFSP) must be submitted no later than the next reporting date after the grant period ends in order to be paid. (Example: if the grant period ends 9/30/10, the amended report must be received by the Controller's Office no later than the next reporting date after that – i.e., October's reporting date.)
 - 4) The only adjustments, if any, that should be submitted with the May service expenditure report submitted in June would be any missed on the prior month's claim. If a department waits until the May service month expenditure report submission to report adjustments, the DHHS Controller's Office cannot guarantee those adjustments can be verified in time for the June payment.
 - 5) Any overpayments identified by either the State or the Department will be adjusted out of the next month's claim for reimbursement by the DHHS Controller's Office. There is no provision to carry forward funds from one State Fiscal Year to another; therefore, any adjustment not included in the June (or earlier if grant period expires during the fiscal year) payment should be paid from local funds. If reported to the State as an adjustment, the payment will come from (and will therefore, reduce) the allocation for the next fiscal year.
- f. The Department shall submit requests for payment for services provided under 10A NCAC 45.A rules to the Claims Processing Unit, Purchase of Medical Care Services, DHHS Controller's Office.
- g. The Department shall submit requests for reimbursement for nurse training to the Public Health Nursing and Professional Development Unit. Form 3300 – Public Health Nurse Training Activity must be used as the invoice for payment.

5. The Department shall maintain expenditures for maternal health, child health and family planning programs per General Statute 130A-4.1(a). The amount of expenditures shall be calculated by the State and provided to the Department as described in section G.22 of this document.

D. PERSONNEL POLICIES

1. The Department shall adhere to and fully comply with State personnel policies as found in North Carolina General Statute, Chapter 126, and 1 NCAC 8. Such policies include, but are not limited to, the following:
 - a. Equal employment opportunity,
 - b. Affirmative action,
 - c. Policies for local government employment subject to the State Personnel Act,
 - d. "Local Classification and Salary Range,"
 - e. "Compensation Policy for Local Competitive Services Employees," and
 - f. "Recruitment and Selection Policy and Procedures. "
2. Environmental Health Specialists employed by the Department shall be delegated authority by the State to administer and enforce State environmental health rules and laws as directed by the State pursuant to G.S. 130A-4(b). This delegation shall be done according to 15A NCAC 10.0100.
 - a. Local health departments are responsible for sending their newly employed environmental health specialists (interns) to centralized training within 180 days from date of employment.
 - b. Arrangements for centralized training for newly-employed environmental health specialists will be handled by the Education and Training Staff, Division of Environmental Health.
 - c. A local health department which is contracting with an environmental health specialist employed by another department shall be responsible for assuring that all original documents, correspondence, and other public records be maintained in the health department using the contractor and the contract shall stipulate that the contractor shall be available for consultation to the public being served.
3. The Department shall comply with Minimum Standard Health Department Staffing 10A NCAC Section 46 .0301(c), and shall assure that all nursing staff who provide public health services funded by this agreement comply with this rule.

E. CONFIDENTIALITY

All information as to personal facts and circumstances obtained by Department personnel in connection with the provision of services or other activity under this agreement shall be privileged communication, shall be held confidential, and shall not be divulged without the client's, or responsible person's, written consent; except as may be otherwise required by applicable law or regulation. Such information may be disclosed in summary, statistical, or other form which does not directly or indirectly identify particular individuals. Department employees must sign confidentiality pledges documenting the knowledge of, and the agreement to maintain, personal and medical confidentiality.

F. CIVIL RIGHTS

1. The Department shall assure that no person, on the grounds of race, color, age, religion, sex, marital status, immigration status, national origin or otherwise qualified handicapped individual, solely by reason of his/her handicap (unless otherwise medically indicated), be excluded from participation in, be denied the benefits of, or be subjected to discrimination under any program or activity covered by this agreement.
2. The Department shall complete HHS Form 690, Assurance of Compliance with Title VI of the Civil Rights Act of 1964, Section 504 of the Rehabilitation Act of 1973; Title IX of the Education Amendments of 1972, and the Age Discrimination Act of 1975.
3. The American with Disabilities Act 1990 (ADA) makes it unlawful to discriminate in employment against a qualified individual with a disability and outlaws discrimination against individuals with disabilities in State and local government services and public accommodations. The Department certifies that it and its principals and subcontractors will comply with regulations in ADA Title I (Employment), Title II (Public Services), and Title III (Public Accommodations) in fulfilling the obligations under this agreement.

G. RESPONSIBILITIES OF THE STATE

1. The State shall provide to the Department regular training, and, upon request, technical assistance in the preparation of the Consolidated Agreement and Agreement Addenda.
2. The State shall conduct liaison activities with local health departments for general problem solving and technical support.
3. The State shall provide high-level consultation, technical assistance, and advice to local health directors. Broad content areas include, but are not limited to:
 - Board Relations
 - Management Teams/Staffing
 - Policy Development
 - Program Planning and Implementation
 - Quality/Performance Improvement
 - General Administrative Consultation, including consultation and technical assistance in budgeting, fiscal, administrative and management support topic areas.
4. The State shall provide coordination and support for the education and training for the public health workforce.
5. The State shall provide technical assistance and consultant services, as required, for specific health program areas, including providing guidance and consultation about specific patient clinical issues, when requested.
6. The State shall provide course coordination, consultation, and technical assistance on nursing practice and standards, policies and procedures that cross programs.
7. The State shall provide support and consultation to the public health workforce in local health departments, including regional public health consultants who offer technical assistance and training on professional development; program planning, program evaluation and quality assurance; data collection; and community assessment.

8. The State shall act as the principal liaison between the public health system and the state's Medicaid agency on issues related to Medicaid reimbursed services provided by the state and local public health agencies and shall cooperate with the state Medicaid agency to provide technical assistance, guidance, and consultation to local health programs to ensure compliance with Medicaid policies and procedures.
9. The State shall design and implement annual cost studies to ensure appropriate cost-based Medicaid reimbursement.
10. The State shall work with the NC Division of Information Resource Management to provide automated systems and facilities via the Health Services Information System (HSIS) and the new Health Information System (HIS), when implemented. HSIS is currently used to create and submit Medicaid claims, perform accounts receivables, and to collect other DPH program-related data from client, service, encounter and other data on behalf of the local health departments and other public health programs. The State shall provide business and technical support for the automated systems to the users of these systems.
11. The State shall provide support and consultation to ensure that the Health Information System (HIS) can generate standard transactions for public health Medicaid claims and (once HIS is implemented) for public health claims to all insurers submitted on behalf of the local health departments per HIPAA [the Administrative Simplification provisions of the Health Insurance Portability and Accountability Act of 1996 (P.L. 104-91) subparts I through N, which define the standards for specific transactions.]
12. The State shall responsibly use data reviewed and received in its role as a public health authority and health oversight agency while respecting the confidentiality and integrity of the data and securing and protecting the privacy of individual client health information (see Business Associate Addendum to this Consolidated Agreement)
13. The State (DPH) shall provide to the Department "Estimates of Funding Allocations" no later than February 15 of each year to use in preparation of their local budget proposals per current GS.
14. The State (DENR-DEH) shall provide to the Department the "Budget Form" (DENR 2948) indicating the estimated funding allocations no later than **March 30th** of each year to use in the preparation of their local budget proposals per current GS.
15. The State (DHHS) shall provide a "Funding Authorization" to the Department after the receipt of the Certified State Budget. Funds must be appropriately budgeted by the State in the NC Accounting System (NCAS) prior to the issuance of the "Funding Authorization." If funds are restricted through quarterly allotments for FY11, as they have been in FY10, the initial Funding Authorization will only include ¼ of the annual amount for each specific activity involving State funds.
16. The State (DENR-DEH) shall provide a final Budget Form to the Department after receipt of the Certified State Budget.
17. The State (DPH) shall provide funds to the Department upon receipt of this executed agreement and timely submissions of Expenditure Reports. Payment will be made to the Department according to the DHHS Controller's Office E-Payment Schedule issued November or December of each year for the following calendar year.
18. The State (DENR-DEH) shall provide funds monthly to the Department upon receipt of the executed Budget Forms, Addenda and timely submissions of monthly expenditure reports. Payments will be made to the Department according to expenditures reflected on the monthly Expenditure Reports.

19. The State shall assist the Department to comply with all applicable laws, regulations, and standards relating to the activities covered in this agreement.
20. The State reserves the right to conduct reviews, audits, and program monitoring to determine compliance with the terms of this Agreement and its associated Agreement Addenda.
21. The State shall be assured that the Department maintains expenditures of locally appropriated funds (MOE) for maternal health, child health, and family planning program activities equal to, or greater than, that reported on the Staff Time Activity Report for the period beginning July 1, 1984, and ending June 30, 1985. This figure will be increased annually based on a federally accepted inflation index (first updated FY 2000-2001 Agreement.) This revised baseline figure will be calculated and provided to Departments for use in budget preparation.

H. DISBURSEMENT OF FUNDS

1. The State shall disburse funds to the Department on a monthly basis; monthly disbursements for each program activity will be based on monthly expenditures reported.
2. Food and Lodging fees will be disbursed to the department by the State (DENR-DEH) in two separate payments in accordance with NCAC T15A:18A . 2900 – “Restaurant and Lodging Fee Collection and Inventory Program” in the month following receipt of the signed and completed Budget Form (DENR 2948) and Addendum (DENR 3300). The exception is that Temporary Food Establishment (TFE) fees MUST be collected by the Department and must be expended to support the food, lodging, and institution sanitation programs and activities. Such fees shall be deemed to have been disbursed to the Department upon their collection.
3. Funds for Childhood Lead Poisoning Prevention will be disbursed once per year. The number of confirmed cases identified in the prior calendar year will determine the amount received by each county. A separate signed and completed Budget Form (DENR 2948) and Addendum (DENR 3300) for Childhood Lead Poisoning Prevention must be submitted by December 31st in order to receive these funds.
4. Payments shall be suspended when expenditure reports are not received by the time specified (see C.4.a.). Payments will resume the month following the receipt of the delinquent expenditure reports according to the DHHS Controllers office schedule for OSC E-Payments issued in November or December of each year for the following calendar year.
5. Total payment by program activity is limited to the total amount of the “Funding Authorization” and any revisions received after the initial “Funding Authorization” notification.
6. Final payments for the SFY will be made based on the Final monthly (May services/ submitted in June Report) Expenditure Report. Final payments will be equal to the difference between approved reported expenditures and the sum of previous payments up to the limits of the approved budget. Final payments should be made no later than the June OSC E-Payment period per the DHHS Controller’s Office schedule, provided that an Expenditure Report and certification, via the Aid-to-Counties Website for each month have been received by the DHHS Office of the Controller.

I. AMENDMENT OF AGREEMENT

Amendments, modifications, or waivers of this agreement may be made at any time by mutual consent of all parties. Amendments shall be in writing and signed by appropriate authorities.

J. PROVISION OF TERMINATION

Either party may terminate this agreement for reasons other than non-compliance upon sixty (60) days written notice. If termination should occur, the Department shall receive payment only for allowable expenditures.

The State may withhold payment to the Department until the State can determine whether the Department is entitled to further payment or whether the State is entitled to a refund.

K. COMPLIANCE

1. The State shall respond to non-compliance with all terms of this agreement as follows:
 - a. Upon determination of non-compliance, the State shall give the Department sixty (60) days written notice to come into compliance. If the deficiency is corrected, the Department shall submit a written report to the State that sets forth the corrective action taken.
 - b. If the above deficiencies should not be corrected to the satisfaction of the State after the sixty (60) day period, disbursement of funds for the particular activity may be temporarily suspended pending negotiation of a plan of corrective action.
 - c. If the deficiency is still not corrected within the next thirty (30) days following temporary suspension of funding, program funds may be permanently suspended until the Department can provide evidence that the deficiencies have been corrected.
 - d. In the event of the Department's non-compliance with clauses of this agreement, the State may cancel, terminate, or suspend this agreement in whole or in part and the Department may be declared ineligible for further State contracts or agreements. Such terminations for non-compliance shall not occur until (1) the provisions of Section K-1 (a-c) have been followed, documented, and have failed to provide a resolution, and (2) all other reasonable administrative remedies have been exhausted.
2. Subrecipient Monitoring – OMB Circular A-133 (Audits of States, Local Government, and Non-Profit Organizations) as revised on June 27, 2003 requires that pass-through entities monitor the activities of their subrecipients as necessary to ensure that federal awards are used for authorized purposes in compliance with laws, regulations and the provision of contracts or grant agreements and that performance goals are achieved. North Carolina establishes comparable monitoring requirements for State funds received by subrecipients in N.C.G.S.143-6.2, *Use of State funds by non-State entities*, for non-State subrecipients, and N.C.G.S.158-34, *Annual independent audit: rules and regulations*, for local units of government. Also, DHHS-DPH must perform subrecipient monitoring as required in the DHHS Policy and Procedure Manual entitled “Monitoring of Programs” dated August 1, 2002.

DHHS-DPH conducts monitoring in accordance with its Subrecipient Monitoring Plan dated January, 2006. Additionally, each Local Health Department is required under Circular A-133, N.C.G.S.143-6.2 and N.C.G.S.159-34 to perform monitoring of its subrecipients and to maintain records to support such monitoring activities and results. Accordingly, the Department shall participate fully in subrecipient monitoring by DHHS-DPH and shall appropriately monitor its subrecipients to the extent necessary based on the assessed level of risk.

- IN WITNESS WHEREOF**, the **Department** and the **State** have executed this agreement in duplicate originals, one of which is retained by each of the parties.

STATE OF NORTH CAROLINA

State Health Director
or Authorized Agent

State Health Director
or Authorized Agent

Secretary, Department of Environment
and Natural Resources or Authorized Agent

**NORTH CAROLINA
DEPARTMENT OF HEALTH AND HUMAN SERVICES
BUSINESS ASSOCIATE ADDENDUM TO MEMORANDUM OF UNDERSTANDING**

This Agreement is made effective the 1st day of July, 2010, by and between

(name of Local Health Department or “Covered Entity”) and the Division of Public Health (“Business Associate”) (collectively the “Parties”).

1. BACKGROUND

- a. Covered Entity and Business Associate are parties to a Memorandum of Understanding “entitled” **The FY2011 Consolidated Agreement** (the “MOU”), whereby Business Associate agrees to perform certain services for or on behalf of Covered Entity.
- b. Covered Entity is an organizational unit of the North Carolina Department of Health and Human Services (the “Department”) that has been designated in whole or in part by the Department as a health care component for purposes of the HIPAA Privacy and Security Rules.
- c. The relationship between Covered Entity and Business Associate is such that the Parties believe Business Associate is or may be a “business associate” within the meaning of the HIPAA Privacy and Security Rules.
- d. The Parties enter into this Business Associate Addendum to the MOU with the intention of complying with the HIPAA Privacy and Security Rules provision that a covered entity may disclose electronic protected health information or other protected health information to a business associate, and may allow a business associate to create or receive electronic protected health information or other protected health information on its behalf, if the covered entity obtains satisfactory assurances that the business associate will appropriately safeguard the information.

2. DEFINITIONS.

Unless some other meaning is clearly indicated by the context, the following terms shall have the following meaning in this Agreement:

- a. “Electronic Protected Health Information” shall have the same meaning as the term “electronic protected health information” in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of a Covered Entity.
- b. “HIPAA” means the Administrative Simplification Provisions, Sections 261 through 264, of the federal Health Insurance Portability and Accountability Act of 1996, Public Law 104-191.
- c. “Individual” shall have the same meaning as the term “individual” in 45 CFR 160.103 and shall include a person who qualifies as a personal representative in accordance with 45 CFR 164.502(g).
- d. “Privacy and Security Rules” shall mean the Standards for Privacy of Individually Identifiable Health Information and Security Standards for the Protection of Electronic Protected Health Information in accordance with 45 CFR part 160 and part 164, subparts A and E.
- e. “Protected Health Information” shall have the same meaning as the term “protected health information” in 45 CFR 160.103, limited to the information created or received by Business Associate from or on behalf of Covered Entity.
- f. “Required By Law” shall have the same meaning as the term “required by law” in 45 CFR 164.103.

- g. "Secretary" shall mean the Secretary of the United States Department of Health and Human Services or his designee.
- h. "Security Incident" shall have the same meaning as the term "security incident" in 45 CFR 164.304.
- i. Unless otherwise defined in this Agreement, terms used herein shall have the same meaning as those terms have in the Privacy and Security Rules.

3. OBLIGATIONS OF BUSINESS ASSOCIATE

- a. Business Associate agrees to not use or disclose electronic protected health information or other protected health information other than as permitted or required by this Agreement or as required by law.
- b. Business Associate agrees to implement administrative, physical, and technical safeguards that reasonably and appropriately protect the confidentiality, integrity, and availability of the electronic protected health information and other protected health information that it creates, receives, maintains, or transmits on behalf of a Covered Entity, as required by the Privacy and Security Rules.
- c. Business Associate agrees to mitigate, to the extent practicable, any harmful effect that is known to Business Associate of a use or disclosure of electronic protected health information or other protected health information by a Business Associate in violation of the requirements of this Agreement.
- d. Business Associate agrees to report to Covered Entity (i) any use or disclosure of electronic protected health information or other protected health information not provided for by this Agreement of which it becomes aware and (ii) any security incident of which it becomes aware.
- e. Business Associate agrees to ensure that any agent, including a subcontractor, to whom it provides electronic protected health information and/or other protected health information received from, or created or received by Business Associate on behalf of Covered Entity (i) agrees to be bound by the same restrictions and conditions that apply through this Agreement to Business Associate with respect to such information, and (ii) agrees to implement reasonable and appropriate safeguards to protect such information.
- f. Business Associate agrees to provide access, at the request of Covered Entity, to electronic protected health information and other protected health information in a Designated Record Set to a Covered Entity or, as directed by a Covered Entity, to an individual in order to meet the requirements under 45 CFR 164.524.
- g. Business Associate agrees, at the request of a Covered Entity, to make any amendment(s) to electronic protected health information and other protected health information in a Designated Record Set that a Covered Entity directs or agrees to pursuant to 45 CFR 164.526.
- h. Unless otherwise prohibited by law, Business Associate agrees to make internal practices, books, and records, including policies and procedures concerning electronic protected health information and other protected health information, relating to the use and disclosure of electronic protected health information and other protected health information received from, or created or received by Business Associate on behalf of, Covered Entity available to the Covered Entity, or to the Secretary, in a time and manner designated by the Secretary, for purposes of the Secretary determining Covered Entity's compliance with the Privacy and Security Rules.
- i. Business Associate agrees to document such disclosures of electronic protected health information and other protected health information related to such disclosures as would be required for Covered Entity to respond to a request by an individual for an accounting of disclosures of electronic protected health information and other protected health information in accordance with 45 CFR 164.528, and to provide this information to Covered Entity or an individual to permit such a response.

4. PERMITTED USES AND DISCLOSURES

- a. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the MOU permits, Business Associate may use or disclose electronic protected health information and other protected health information to perform functions, activities, or services for, or on behalf of, Covered Entity as specified in the MOU, provided that such use or disclosure:
 - 1) would not violate the Privacy and Security Rules if done by Covered Entity; or
 - 2) would not violate the minimum necessary policies and procedures of the Covered Entity.
- b. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the MOU permits, Business Associate may use electronic protected health information and other protected health information as necessary for the proper management and administration of the Business Associate or to carry out the legal responsibilities of the Business Associate.
- c. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the MOU permits, Business Associate may disclose electronic protected health information and other protected health information for the proper management and administration of the Business Associate, provided that:
 - 1) disclosures are required by law; or
 - 2) Business Associate obtains reasonable assurances from the person to whom the information is disclosed that it will remain confidential and will be used or further disclosed only as required by law or for the purpose for which it was disclosed to the person, and the person notifies the Business Associate of any instances of which it is aware in which the confidentiality of the information has been breached.
- d. Except as otherwise limited in this Agreement or by other applicable law or agreements, if the MOU permits, Business Associate may use electronic protected health information and other protected health information to provide data aggregation services to Covered Entity as permitted by 45 CFR 164.504(e)(2)(i)(B).
- e. Notwithstanding the foregoing provisions, Business Associate may not use or disclose electronic protected health information or other protected health information if the use or disclosure would violate any term of the MOU or by other applicable law or agreements.

5. TERM AND TERMINATION

- a. **Term.** This Agreement shall be effective as of the effective date stated above and shall terminate when the MOU terminates.
- b. **Termination for Cause.** Upon Covered Entity's knowledge of a material breach by Business Associate, Covered Entity may, at its option:
 - 1) Provide an opportunity for Business Associate to cure the breach or end the violation, and terminate this Agreement and services provided by Business Associate, to the extent permissible by law, if Business Associate does not cure the breach or end the violation within the time specified by Covered Entity;
 - 2) Immediately terminate this Agreement and services provided by Business Associate, to the extent permissible by law; or
 - 3) If neither termination nor cure is feasible, report the violation to the Secretary as provided in the Privacy and Security Rules.

- 1) Except as provided in paragraph (2) of this section or in the MOU or by other applicable law or agreements, upon termination of this Agreement and services provided by Business Associate, for any reason, Business Associate shall return or destroy all electronic protected health information and other protected health information received from Covered Entity, or created or received by Business Associate on behalf of Covered Entity. This provision shall apply to electronic protected health information and other protected health information that is in the possession of subcontractors or agents of Business Associate. Business Associate shall retain no copies of the electronic protected health information or other protected health information.
- 2) In the event that Business Associate determines that returning or destroying the electronic protected health information or other protected health information is not feasible, Business Associate shall provide to Covered Entity notification of the conditions that make return or destruction not feasible. Business Associate shall extend the protections of this Agreement to such electronic protected health information and other protected health information and limit further uses and disclosures of such electronic protected health information and other protected health information for those purposes that make the return or destruction infeasible, for so long as Business Associate maintains such electronic protected health information and other protected health information.

- a. This Agreement amends and is part of the MOU.
- b. Except as provided in this Agreement, all terms and conditions of the MOU shall remain in force and shall apply to this Agreement as if set forth fully herein.
- c. In the event of a conflict in terms between this Agreement and the MOU, the interpretation that is in accordance with the Privacy and Security Rules shall prevail. In the event that a conflict then remains, the MOU terms shall prevail so long as they are in accordance with the Privacy and Security Rules.
- d. A breach of this Agreement by Business Associate shall be considered sufficient basis for Covered Entity to terminate the MOU for cause.

STATE OF NORTH CAROLINA

Business Associate (Division of Public Health)	Date
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